

During public hearings, testimony was given regarding the increasing number of low-income pupils enrolled in public schools, and the additional costs of educating such pupils.

The table below shows funding appropriated for the achievement gap reduction (AGR) program, formerly known as the student achievement guarantee in education (SAGE) program, which provides grants to schools with a high percentage of low-income pupils if the school agrees to implement strategies to improve pupil performance. Aid is calculated by determining the total number of low-income pupils enrolled in grades K-3 in all schools participating in the SAGE or AGR programs and then dividing the appropriation by the number of pupils to determine the per pupil allocation. In 2017-18, the payment amount was equal to approximately \$2,381 for each low-income pupil. Under current law, only schools and districts that had a SAGE contract in effect on July 3, 2015, are eligible to participate in the AGR program.

**Categorical Aid Funding for Low Income Pupils
Provided Under Achievement Gap Reduction
2000-01 to 2018-19**

	<u>Economically Disadvantaged Pupils</u>	<u>SAGE/AGR Appropriation</u>
2000-01	211,702	\$54,015,600
2001-02	229,277	71,190,600
2002-03	242,730	90,290,600
2003-04	244,144	90,290,600
2004-05	254,202	90,290,600
2005-06	264,527	97,614,000
2006-07	274,698	98,588,000
2007-08	281,111	111,984,100
2008-09	292,699	111,984,100
2009-10	323,728	109,184,500
2010-11	342,771	109,184,500
2011-12	354,830	109,184,500
2012-13	360,787	109,184,500
2013-14	366,300	109,184,500
2014-15	361,122	109,184,500
2015-16	342,653	109,184,500
2016-17	331,713	109,184,500
2017-18	329,418	109,184,500
2018-19	N.A.	109,184,500

ALTERNATIVES

1. Recommend providing additional funding by weighting low-income pupils. Recommend one or both of the following:

a. Weight low-income pupils as 1.2 FTE in the general school aids and revenue limit formulas. This would increase revenue limit authority by \$215 million in the first year, \$430 million in the second year, and \$645 million once the increased weighting factor is fully reflected in the three-year rolling average of enrollment used under revenue limits. For general school aids, weighting low-income pupils would lower districts' equalized value per member, so that districts with disproportionate numbers of low-income pupils could receive additional aid. (A weight of 1.2 FTE per low-income pupil would be consistent with DPI's agency budget request, which would add a weighting factor for equalization aid only.)

b. Provide \$15,000 GPR in 2019-20 to hire a consultant to recommend adjustments to the weighting factor. Create an appropriation for the funds, and specify that they could be released by the two standing committees of the Legislature dealing with education to an organization of their choice to cover travel and other costs for providing consulting services relating to setting the appropriate weighting factors.

ALT 1b	2019-20	2020-21
GPR	\$15,000	\$0

2. Recommend creating a new categorical aid program to provide school districts with a payment of \$100 per pupil eligible for free or reduced-price lunch, and appropriate \$32 million GPR annually to fully fund the program.

ALT 2	2019-20	2020-21
GPR	\$32,000,000	\$32,000,000

3. Recommend modifying current law to allow new schools and districts to participate in the AGR program. Additional funding would not be required, but the per pupil payment for currently participating schools could decrease depending on the number of new schools and districts.